

NEW APPLICATION



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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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IN THE MATTER OF APPLICATION OF)
CCG COMMUNICATIONS, LLC FOR)
APPROVAL TO PLEDGE OR ENCUMBER ASSETS)

DOCKET NO. T-04290A-10-0396

APPLICATION

(Expedited Approval Requested)

APPLICATION FOR APPROVAL TO PLEDGE OR ENCUMBER ASSETS

I. INTRODUCTION

CCG Communications, LLC (“CCG”) respectfully requests approval pursuant to A.R.S. § 40-285, to the extent required, as well as any other applicable statutes or rules, to pledge and encumber its assets located in the State of Arizona, in connection with a new Credit Facility (as further described below).¹

II. DESCRIPTION OF LIGHT TOWER AND CCG

A. Light Tower Holdings, LLC and LT LLC

Light Tower Holdings, LLC (“Light Tower”), a Delaware limited liability company, is a privately held company with its executive headquarters located at 80 Central Street, Boxborough, Massachusetts. Through its operating subsidiaries, Light Tower offers Ethernet, dark fiber, wavelengths, SONET, and Internet access, and collocation services. The company has over 4,500

¹ CCG, a Massachusetts limited liability company, is a foreign public service company whose physical facilities are also used in providing communications service in interstate commerce. Accordingly, A.R.S. §§ 40-301 and 40-302, governing issuance of debt and creation of liens on property of public service corporations in the State, are inapplicable to CCG joining and becoming a co-guarantor under the Credit Facility. See A.R.S. § 40-301.D.

1 fiber route miles with over 1,750 on-net buildings coupled with comprehensive transport and
2 alternative access solutions. In addition to CCG's footprint in Arizona, the company's geographic
3 footprint extends from Boston and southern New Hampshire, to eastern New York State, northern
4 New Jersey, Long Island, New York City, Rhode Island and Connecticut. Light Tower's other
5 subsidiaries, including LT LLC and Light Tower LLC, do not operate in the State of Arizona.

6 As noted by CCG in Docket No.T-04290A-10-0216, Light Tower recently acquired all of
7 the issued and outstanding shares of Verosity Holdings, Inc, which resulted in Verosity and CCG
8 becoming indirect subsidiaries of Light Tower. As approved in Decision No. 71826, CCG, as part
9 of the Light Tower transaction, joined and became a credit party to that certain Credit Agreement,
10 dated as of October 20, 2008, as amended, between LT LLC, as Borrower, and the Lenders thereto
11 and various other parties (the "LT Credit Agreement"), pursuant to which CCG provided a guaranty
12 and pledged its assets as security for the financing arrangements under the LT Credit Agreement.
13 The Credit Facility described below will be used in part to remove or replace the LT Credit
14 Agreement.

15 **B. CCG Communications, LLC**

16 CCG Communications, LLC, a Massachusetts limited liability company, is an indirect
17 subsidiary of Light Tower with its executive headquarters located at 80 Central Street,
18 Boxborough, Massachusetts 01719. In Arizona, CCG is authorized to provide competitive
19 facilities-based local exchange telecommunications services pursuant to Decision No. 67883
20 issued by the Commission in Docket No. T-04290A-04-0838 on June 1, 2005.

21 **C. Designated Contacts**

22 Questions, correspondence, or other communications concerning this Application should
23 be directed to:

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III. DESCRIPTION OF THE PROPOSED ENCUMBRANCE

Light Tower intends to enter into a syndicated loan transaction with GE Capital Markets, Inc. and SunTrust Robinson Humphrey Inc. as the Joint Lead Arrangers (the "Credit Facility"). The Credit Facility provides for senior secured facilities comprised of a term loan and a revolving credit facility. Among other purposes, draws on the Credit Facility will be used to pay off prior indebtedness and finance Light Tower's acquisition of Lexent, Inc., a Delaware Corporation, which does not conduct business in Arizona. As part of the Credit Facility, CCG will pledge its assets as security. CCG will also act as a Guarantor under the Credit Facility.²

IV. PUBLIC INTEREST CONSIDERATIONS

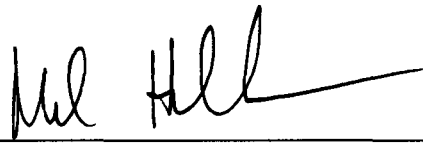
CCG's encumbrance of its assets will further the public interest by ultimately increasing the availability of telecommunications services in the State of Arizona. Light Tower and its affiliates will benefit from the Credit Facility, and it will help to supplement the operational capabilities of CCG, yielding increased technical and managerial expertise, greater financial resources, including access to the Credit Facility, lower interest rates, increased operating efficiency, administrative efficiency, greater ability to expand business and expense savings on administration, operations and compliance.

² Because CCG is not a Class A entity, the provisions of the Affiliated Interests Rules relating to guarantees (*i.e.*, AAC R14-2-804.B.) do not apply.

1 For the foregoing reasons, CCG submits that the public interest, convenience, and
2 necessity would be furthered by grant of this Application for the Commission's consent to the
3 encumbrance of CCG's assets that will arise under the Credit Facility. Accordingly, CCG
4 respectfully requests that the Commission consent to such encumbrance under A.R.S. § 40-285.
5 CCG further respectfully requests expedited consideration and approval of this Application
6 without hearing.

7
8 RESPECTFULLY SUBMITTED this 27th day of September, 2010.

9 LEWIS AND ROCA LLP

10
11 By 

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15 ORIGINAL and 13 copies of the foregoing
16 Filed this 27th day of September, 2010 with:

17 The Arizona Corporation Commission
18 Utilities Division – Docket Control
1200 W. Washington Street
19 Phoenix, Arizona 85007

20 Copy of the foregoing hand-delivered
this 27th day of September, 2010, to:

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